

असाधारण EXTRAORDINARY

भाग II—खण्ड 2 PART II—Section 2

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके। Separate paging is given to this Part in order that it may be filed as a separate compilation

## RAJYA SABHA

The following Bill was introduced in the Rajya Sabha on the 9th December, 1993:—

BILL NO. LXXX of 1993

A Bill further to amend the Payment of Gratuity Act, 1972.

Be it enacted by Parliament in the Forty-fifth Year of the Republic of India as follows:—

1. This Act may be called the Payment of Gratuity (Amendment) Act, 1994

Short title.

Amend-

ment of section

2.

39 of 1972.

- 2. In section 2 of the Payment of Gratuity Act, 1972 (hereinafter referred to as the principal Act), in clause (e),—
  - (a), the words ", not exceeding two thousand and five hundred rupees per mensem, or such higher amount as the Central Government may, having regard to the general level of wages by notification, specify," shall be omitted;
    - (b) Explanation shall be omitted.
  - 3. In section 4 of the principal Act,-
  - (a) in sub-section (3), for the words "fifty thousands", the words "one lakh" shall be substituted;
    - (b) sub-section (7) shall be omitted.
- 4. In section 11 of the principal Act, in sub-section (2), for the words "Presidency Magistrate or a Magistrate of the first class", the words "Metropolitan Magistrate or a Judicial Magistrate of the first class" shall be substituted.

Amendment of section 4

Amendment of section 11.

## STATEMENT OF OBJECTS AND REASONS

The Payment of Gratuity Act, 1972 provides for a Scheme for payment of gratuity to the employees engaged in factories, mines, oilfields, plantations, ports, railway companies, shops or other establishments and for matters connected therewith or incidental thereto. Under clause (e) of section 2 of the Act, the term "employee" means any person employed on wages not exceeding two thousand and five hundred rupees per mensem or such higher amount as the Central Government may having regard to the general level of wiges; by notification, specify. In exercise of the powers conferred by clause (e) of section 2, the Central Government vide its notification dated the 26th November, 1992 specified with effect from the 1st day of December, 1992 three thousand and five hundred rupees per mensem as the higher amount of wage for definition of "employee" under the Act. There has been a demand for removal of the ceiling of wages for coverage of the Act, thus making all the employees eligible for gratuity irrespective of their wages. The Labour Minister's Conference held in 1983; has also recommended for the removal of the wage limit for payment of gratuity.

- 2. Sub-section (3) of section 4 of the Act provides that the amount of gratuity payable to an employee shall not exceed fifty thousand rupees. This amount was fixed in 1987. There have been representations from trade unions to remove or enhance the ceiling on the maximum amount of gratuity.
- 3. Based on the above-mentioned recommendations and representations, it is now proposed to carry out the following amendments in the Act:—
  - (i) The provisions of the Act are being extended to all the persons employed on wages in the establishments, etc., covered under the Act by removing the wage ceiling under clause (e) of section 2 of the Act;
  - (ii) The existing ceiling of fifty thousand rupees on the amount of gratuity payable under sub-section (3) of section 4 is being raised to one lakh rupees.
- 4. The other amendments proposed in the Bill are of minor or consequential nature.
  - 5. The Bill seeks to give effect to the above proposals.

PURNO A. SANGMA.

V. S. RAMA DEVI, Secretary-General.